## 00329

1974/11/28

## MEMORANDUM OF CONVERSATION

Great Hall of the People, Peking Place:

Thursday, November 28, 1974 - 4:00 - 6:15 pm Time:

& Date

Teng Hsiao -ping, Vice Premier Participants: Chinese

American: The Secretary

Mr. Rumsfeld, Assistant to the President Ambassador Bush, Chief of the Lizison Office Mr. Philip Habib, Assistant Secretary for East

Asian Affairs

Mr. Winston Lord, Director, Policy Planning Staff Miss Christine Vick, Secretary's office (notetaker)

Have you had a good rest this morning? Teng:

Kissinger: It was kind of the Foreign Minister to go with us to the Temple. Cur

Ambassador told me what is going on in China. Then I showed Mr.

Rumsfeld the Forbidden City and the German Ambassador who is an

old friend, called on my to tell me what is going on in China too.

What do the Germans think is going on in China? Teng:

Kissinger: Frankly, he wanted to hear from me what is going on.

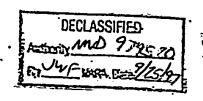
You can tell him we are digging tunnels here. Teng:

Kissinger: And storing grain.

Right. Three sentences -- dig tunnels deep, store grain everywhere, Tend:

and never seek hegemony. There are the three things we are to note.

Kissinger: As Chairman Mao said last year.

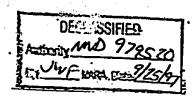


Teng: This, I think, will be our final session here. We will hear you first.

The last word will be the Foreign Minister's tonight and I will have no possibility to reply. I wanted to cover a few odds and ends of yesterday's discussion. First, with respect to our relations with the Arab countries, we have not been inactive, as I told you yesterday. 250 million for Egypt and in addition we have given we have them 150 million for other kinds of various assistance, primarily in the agricultural field and we have asked the World Bank to give them 250 million. So altogether they have received about 650 million. And we have given even Syria 100,000 tons of agricultural products. In the military field, which the Vice Premier correctly mentioned, it is true that the Soviet Union has cut off Egypt and there has not yet been any replacement. We have a massive domestic problem about giving military aid to Arab countries. What we are doing, on a very confidential basis, is we have a rather substantial military assistance program to Saudi Arabia beyond the needs of Saudi Arabia. Secondly, after the next step in the Egyptian/Israeli disengagement agreement, we plan to permit the acquistion of military equipment by Egypt, and Saudi Arabia has already set aside 500 million for that purpose. Again, for your information, the Israelis will run out of credits in March and we will link new credits to Israel for the right to sell

<u>....</u>

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Kissinger: arms to Egypt. In the meantime we are encouraging the Federal Republic to also sell arms to Egypt and France needs no encouragement as long as cash is involved. We would also encourage Britain to develop helicopter production in Egypt.

I wanted you to know these things on a very confidential basis.

As for the negotiations -- given the Soviet pressure on the radical Arab countries, we believe it is best to conduct the new negotiations rather quietly and then to surface them suddenly. We are discussing with the Israelis a withdrawal of something like 75 kilometers toward the East and abou 150 kilometers toward the South, which would return the oil fields to Egypt and would withdraw Israeli forces beyond the passes in the Sinai.

To be quite frank, the schedule we have is to have progress in this direction before the visit of Breshnev to Cairo, but have disclosure only afterward to discourage enthusiasm. But the Egyptians will know that it is substantially achieved before Breshnev gets there. But if they move too far toward the Soviet Union, they will jeopardize it. So, after that we will turn to Syria.

This is our strategy, but it will be pursued without great visible signs until it is practically completed and then I might follow Brezhnev to the Middle East until it is finished. I wanted you to know this.

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Kissinger: (cont.) A word about Iran. I had some long talks with the Shah about our relationship and about Afghanistan and Pakistan. I urged the Shah to establish closer relations with the People's Republic. In my judgment he is very prepared to do this.

Interpreter: Closer relations between the United States and the People's Republic?

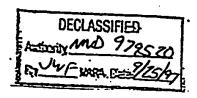
Kissinger: I talked to him about the US relations with the People's Republic, but because he taks the lead from us, I told him we would favor closer Iranian relations with the People's Republic.

My understanding is that he is very prepared to establish much closer relations with the People' Republic and our impression is that his trip to the Soviet Union was not very reassuring to him.

My understanding is that he would be very glad to visit the People's Republic but since the Empress has been here he would appreciate a visit by a senior Chinese official first so that he would have a good excuse to come here. I say this to you for your information.

I think his basic attitude with regard to Afghanistan and Pakistan and India is one which is consistent with what we discussed yesterday.

Also, you should know that we are establishing -- well there are two other things. First, that we are establishing co-production with Iran in various advanced military fields which will put



Kissinger: Iran in a position to be more immediately helpful in surrounding areas. Secondly, with respect to Iraq. Cur information is that the Turkish offensive against the Turks is going very badly, partly because a great deal of Russian equipment has been supplied recently to the Turks.

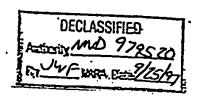
Teng: You mean by the United States.

Kissinger: Yes, through Iran. Cur information is that the Iraqui Army is quite demoralized and very unhappy with its Soviet ally. This is again, for your information. And our information, which you also probably know, is that Bhutto's feeling is that he has substantially defeated the Baluchistan problem.

Those were the major foreign policy issues which I wanted to discuss. I have one or two other items which I wanted to raise with you, if I may.

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Che is we are always under great pressure by the families of individuals who were Missing in Action during the Vietnamese War. We greatly appreciate the information that was given us in the last trip with respect to some American servicemen -- that were lost over China. It would be a great help to us and very much appreciated if any additional information that comes available be passed to our Liaison Office. Secondly,



Teng:

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We don't presently have any further news. If we do we will pass it.

Kissinger: Well, we can say that you have, no further news and if you have

you will pass it.

Teng: Alright.

Kissinger: Secondly, our Liaison Office will submit any question we have and we would be grateful for a report on these specific questions about individuals that come to our attention that may have been missing.

Teng: I don't think they have received anything yet.

Kissinger: No, but we have been given some additional queries and we will raise it in the next day or so.

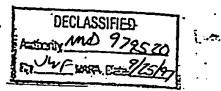
Teng: Alright.

Kissinger: And finally, we would be very grateful if the remains of any of those who crashed over China or died in China could be returned to the United States, if they can still be found.

Teng: If they can not be found then it will be very difficult.

Kissinger: We have made many unreasonable demands, but we have never asked for the return of unfound remains.

Finally, in connection with the Missing In Action, -- this is not your direct responsibility or under your responsibility at all, but we have found great difficulty in getting any answers from North Vietnam, as is called for by the Paris Agreement and any influence or advice you could give to Hanoi we would greatly appreciate.



Teng:

I thought you had direct channels with the North Vietnamese.

Kissinger: We have direct channels but our persuaveness does not seem to be adequate. Sometime when we have time I will tell you about North Vietnamese negotiating methods. But we will save it for a social occasion. They are unique in diplomatic history. But in this connection, I would like to say one thing. The North Vietnamese have been in total violation of the Paris Agreement in building up forces in the South. We hope that there will not be a major offensive because that would produce serious consequences. We will certainly prevent any offensive on the part of the South Vietnamese.

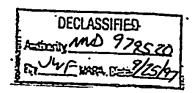
Teng:

From what we have heard, it is the United States and Nguyen Van Thieu who are not abiding by the Agreement.

Kissinger: I think your information is not accurate. President Thieu has recently offered negotiations which implement all the provisions and we are only replacing the equipment that has been loss and therefore it is easy for North Viet Nam to control the rate of lo our deliveries. and

Teng:

We feel that this issue is one to be discussed only between you and the Democratic Republic of Vietnam and the People's Revolutionar: Government of South Viet Nam. As to the piece of information when we discussed Cambodia, I remember saying to you that if



DESCRIPTION AT THE MATTER ADDRESS.

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Teng: '

you listen to the information from Lon Nol it won't be accurate. As for the information provided by Thieu, we think it is also unreliable. We think the fundamental question is this. It is good that you have withdrawn your armed forces, but you have not really disengaged. Your feet are still bogged down there and probably all these specific issues all stem from the fact that the fundamental issue has not been completely resolved. I should think that that is true about the entire Indo-Chinese issues too.

Kissinger: I finally want to say one thing about normalization. Secretary

Habib has informed me of his conversations here. Cn the

claims/assets agreement. I understand the principal Chinese
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concern and I will, when I return/whether our lawyers can

come up with a definition compatible with Chinese principles.

My impression is that the other aspects are soluble and I try to find a way of solving that aspect.

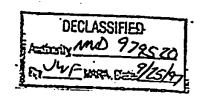
Interpreter: That...

Kissinger: That particular one.

Teng: I hear that he has placed great emphasis on matters of United States law.

Kissinger: That is what I will look into when I return.

Teng: How can U.S. laws govern China? That is not logical.



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Kissinger: Mr. Rumsfeld was a Congressmen, he can explain that. I can't.

Teng: How you explain the matter is your business, but our explanation

is that U.S. law doesn't govern China.

Kissinger: But there are some Congressmen who think that China is a suberb of Chicago.

Teng: I think that you have touched precisely on the essence of the matter.

Perhaps the negotiator on your side reflects that mentality.

Rumsfeld: I could explain it but it would take a great deal of Mao Tai.

Teng: It is not important anyway.

Kissinger: I understand your problem. I owe you an answer and I will try

to find a solution. I will talk to the lawyers, for me I could

not care. But about the issue here, for me, this is preimarily

a political and symbolic matter. So I don't want an acrimonious

negotiation. I will see whether we can find a formulation we can

submit to you.

Teng: This is an issue of which one hundred years lack of a solution will

not be of great consequence.

Kissinger: We will certainly accept the principle that American law does not

apply to China.

Teng: I think this is a point that must be confirmed.

Kissinger: That is the easiest problem we have between us.

Cn other things -- like exchanges, Congressional visits and I would like to suggest the desirability of changing the pattern a little bit, so that every year is not like the last year. And not expose our relationship to unnecessary speculation. in the U.S. to see if any special progress has been made. So if our experts could find some slight variation in the pattern, it could be quite helpful.

> In practice with the Congress onal visits -- there is one Subcommittee that votes the State Department budget, that has a great interest in coming here. I say this for your consideration.

Teng:

We can think that over.

Kissinger:

You will be visited in the next few weeks by Senator Mansfield.

Teng:

We expressed our welcome to him long ago.

Kissinger: And we have supported it and we appreciate your inviting him. It will be helpful. Senator Mansfield is the majority Leader of the Senate and a former professor of political science at the University, of Montana. Cn foreign policy problems, he is here in his capacity as former professor of political science at the University of Montana.

Teng:

We would welcome him in any capacity. And we will see to it that he is taken to a dinner of Hot Pot.

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Kissinger: We really favor a very friendly reception for him. But you should remember that what I said to you about foreign policy reflects the views of President Ford and of the United States government.

Teng: And we have understood with regard to the views of various

Senators and Congressmen, that their various views do not all
represent the government's view, but their own. We won't
sign any agreements with them.

Kissinger: This was especially fortunate with regard to the visit of Senator Magnuson. Mao tai left a lasting impression on him.

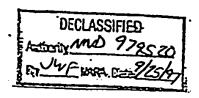
Teng: (Laughter)

Kissinger: Now perhaps a word about normalization. We have paid serious attention to what the Vice Premier said yesterday and we shall study it very carefully. We believe that the three principles mentioned by the Vice Premier are not insurmountable obstacles.

And we have one problem, which the Foreign Minister summed up well in one of our earlier meetings, which is that we do not ask to be a guaranteeing power but we do prefer the solution of the reintegration to be peaceful. We shall think about specific proposals with respect to the three points and we shall submit them to you for your consideration.

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In the meantime, we shall undertake a substantial reduction of our remaining military forces in Taiwan. We will give the precise figures to your Liaison Office in Washington before the end of the year.



Kissinger: And we shall also, over the next eighteen months, bring about a reduction in the size and in the status, or at least seniority, of our diplomatic representation. This is independent of whatever we agree on the other three points.

These are unilateral steps. These are the major points that I wished to discuss. We will have to discuss something about the Communique.

FMinister: You will remember that I have promised to think up a few simple sentences to bring to your attention. But simple sentences are not easy to conceive and it is much more difficult to write a brief rather than a long Communique.

Kissinger: Bernard Shaw said I didn't have time to write a short letter, so I wrote a long one.

Teng: I think that is a question to be discussed between you and the Foreign Minister.

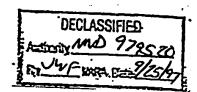
FMinister: I will inform you when we are ready to discuss. I think it is not possible to solve it here at the table.

Kissinger: Do you mind if two of my associates join us now? We are not going to discuss the Communique.

Teng: It is up to you.

Kissinger: Cne point that Ambassador Bush raised that I was going to raise.

We were considering whether it would be desirable to increase



Kissinger: the Liaison Office by a few spaces. We would transfer some of our functions from Hong Kong to Peking. That would be most appreciated.

Teng:

A few spaces.

Kissinger: To handle functions here in Peking.

Teng:

You would like to add to the present building.

Kissinger: The first thing is to add to the number of personnel, which in turn

would mean we would have to add some additional space.

Teng:

We will study that. We have noted what the Dr. has told us and we don't have very much else to say. So let's begin from the final issue that the Dr. mentioned, that is the question of Normalization 2. The Dr. has mentioned again the question of the time table and I remember that I said last time, what is the need to complicate the matter in such a way. Wouldn't it be better to do it more briskly and to solve the matter briskly. So the pace is not a very important matter. Whether you cut down your forces by a little bit or increase them by a bit, or when you do it; whether you raise them by a bit -- that isn't very important. And since you have already sent your Amb assador there, whether or not it is necessary to lower the seniority is not a very important issue either.

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Teng:

So, if the solution is not to be brisk, what is the reason to drag the Taiwan issue like the question of the Vietnam and Cambodia issues . into such an untidy mess. What is the need to drag along such untiness, because that is not necessary to solve these issues.

And with the question of the three principles that we mentioned. In our three previous meetings. There can not be any other consideration about these principles. And we have also said that if you need Taiwan now, we can wait. This in no way mem s that we do not want to solve this issue as early as possible between the United States and China. It does not mean from a moral and political point of view that we have no right to demand or ask an early solution.

As I mentioned in our earlier discussion on this issue, it is you who are not deflecting to us. Because it is U.S. troops who are occupying Taiwan. Just now the Dr. mentioned certain reductions or certain actions which would be unilateral measures on the part of the United States. What bilateral measures can be called for?

Kissinger: There aren't any called for.

Teng: There is a Chinese saying that it is for the one who has tied the knot to unfasten it. And to sum it up, since you believe the time has not yet come to solve the issue, then we can wait. We can

Teng: '

We can wait until you have thought this out clearly and then it can be solved briskly. It can be written off at once. We can wait say for a few years. We won't even have to ask you to hurry up. But if it is to be solved, it must be on the basis of the three principles.

Kissinger: I understand this and I believe it can be solved in connection with these three principles. I appreciate the opportunity to do some more thinking about it and I recognize that there is great wisdom, generosity and self restraint on the Chinese side in taking the position which the Vice Premier has outlined here.

Because this is something basic in our previous conversations and observations that we owe to you.

If I may say one thing in this connection with the three principles. The principles are accepted. In all of them, the only practical problem we have is how to implement it.

The phrase that Chairman Mao quoted that Normalization can be achieved before reintegration is completed...how to express that in practical terms.

Teng:

As for the establishment of diplomatic relations, I think we have expressed it clearly in severing diplomatic relations, withdrawal of troops and abolishment of the treaty. And as for how and when the Chinese settle these issues between themselves, that is our own affair and belongs to Chinese internal affairs.

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Teng:

And we can not undertake any commitments or make any promises in internal affairs like when and how we will do or establish things that pertain to internal affairs.

Kissinger: But theoretically, you could make a general statement of your unilateral intentions. Not to us, but just as a general statement.

Teng: What are we to say in it. Anyway, we think this is something that we are bound to discuss again.

Kissinger: Yes, that is the only remaining issue. The other problems are soluble and let me think about that last question.

Teng: As for the other specific issues, we don't have anything more we think needs to be said. We believe in our discussions these few days, we have had a wide range of views in the international situation. I would like to take this opportunity to make clear our basic concept of this whole question. As Chairman Mao has said repeatedly to visiting guests, the present world is not tranquil.

And the Foreign Minister also mentioned that there is great disorder under heaven. And yesterday, that was just what I was coming to -- then the Dr. mentioned the talk between Chairman Mao and the Danish Foreign Minister.

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Kissinger: I agree with Chairman Mao.

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Teng:

Kissinger: And it is about equal distance whether he comes East or West, to the United States, I mean.

Tenq:

That's geographically. As for us, to be honest, our character is to gear neither heaven or earth and we fear neither isolation or embargo. As for nuclear weapons, they are not of any use. Since to speak of nuclear weapons is of others attacking us with nuclear weapons and in this sense, we fear nothing. And Chairman Mao has even mentioned to the Danish Foreign Minister, to this effect, if a war should truly come, would it necessarily be a bad thing?

Tenq:

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Kissinger: This is what shook him a little bit.

And we Chinese believe that if a war should come, it might not be so formidable; it might not necessarily be so bad. There is the possibility that bad things can turn into good things. He also told the Danish Foreign Minister there is no use to be afraid. If it is to come, what can you do to prevent it. Anyway, we are going to make preparations. As for preparations, they are just what we have said before. Tunnels, millet and rifles. Do you know when we began to put forth that slogan, millet,

\_\_\_\_\_rifles?

Kissinger: In the sixties.

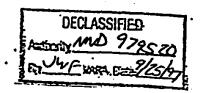
Teng: No, during the Anti-Japanese War. When we were still in the S\_\_\_\_, in essence, we \_\_\_\_riflesthe only shortcoming was that in S\_\_\_\_, they didn't grow millet. Cnce we got to \_\_\_\_\_, the main staple found was millet. That is why the main staple is millet and rifles. You can say we met millet by accident.

Another matter is that which the Dr. has repeatedly mentioned. the question of firing cannons. It seems the Dr. is very concerned about cannon fire.

Kissinger: I dig tunnels very deeply.

Teng: I am in favor of that. Cannons must be fired. And the Dr. has that

mentioned/the frequencey and accuracy of the cannon fire has



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Teng:

been raised and since the accuracy has been raised, it is quite clear that cannon fire can not afford to cease. We think there might be a necessity to study the matter of whether or not the cannon fire is reas; nable. And, therefore, I think it might be of some use to raise this point to your attention. That is, that in many issues now, the United States is in the forefront. The here Dr. has mentioned many times how the energy question and the food issue. The United States is always in the forefront. You mention the fact that it is Western Europe and Japan and other countries that are most affected by the crises, but they are not in the forefront.

Kissinger: They are also not in the forefront of military defense.

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Teng:

Of course, it isn't in all issues that the United States is in the forefront, but in the recent period of time, you have been in the forefront on many important issues. On the contrary, the Sowet Union has been hiding behind. For instance in Cyprus and the MiddleEast, you have also been in the forefront. And no matter how you look at the issue in the Middle East, for the U.S. to foster Israeli expansioniam, which is what it is, in essence against 120 million Arab people — from the political point of view, you are bound to be in a weaker position. Of course, the Dr. has

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Teng:

repeatedly explained that this is because of domestic issues.

No matter out of what reason, so long as the Arab countries are not able to regain their lost territory, the principle issue remains unsolved. Tactics will not be able to settle the problem, the Communique vill not be able to solve the issue. There is already some similarity between this and the Indochina issue and the Korean issue too. I don't think that the Dr. will take these views to be ill-intentioned.

Kissinger: No. Mr. Vice Premier, I have summed up our views on many of these issues. The Vice Premier was finished, I understood?

Teng: Yes.

Kissinger: I have summed up the US view on many of these issues. If I could perhaps say one or two words. First of all, I agree with the Chairman, who, I believe, is a very great man. In any event, that it is important to be prepared for war and it is our policy to prepare for all eventualities and not to rely on the words of others or their assurances for peace. And in this analysis and in the manner of the quotation you just mentioned to me, we agree with his analysis of the overall situation.

Whether the attack comes in the East or the West is a subsidiary issue in this respect because wherever it comes it is ultimated y intended for us and in this analyses I agree.

If it comes first in the West, it still will affect the East and if it comes first in the East, it will still affect the West. And

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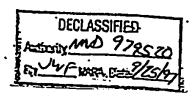
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Kissinger: in either case it will affect us, but this is not a difference between us. The practical consequences for us -- we have to do the same things in either case.

With respect to the United States being in the foregront. That is imposed on us by the particular necessity of the various analyses you have made. The Vice Premier has correctly pointed out that neither Europe or Japan is in the forefront of the energy problem, even though they are the primary victims. They are also not in the forefront of the defense problem, even though they are the primary victims according to your own analysis. For a variety of reasons, it would be interesting to discuss sometime, neither of these societies are in a position to take a leading role for their own survival without strong American support. This is a historical reality. And if they were to separate from the United States, they would very soon become impotent and what one could call syntensized (?) or (finlandized (?). And therefore, they are not capable of being a second world under the present circumstances. by themselves. It would be much more convenient for us if they could be. And in any event, we believe in what the Vice Premier said earlier -- on equal partnership. And therefore, the energy problem -- I wanted to report our view that neither Europe or Japan can

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ssinger: play a strategic role in which you and I agree. -- if at the same time they are demoralized by economic pressures which are beyond their capacity to solve. This is why we are in the forefront.

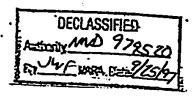
On the Middle East, I have explained to you our tactics which are complicated. I agree with you that unless there is a fundamental solution, a tactical solution is not going to be permanent. So, on this we are agreed, and I have explained to you what our strategy will be and their strategy will lead inexorably to a radical solution. The Vice Premier knows himself, form his own experience in political and military warfare that if one accumulates enough minor changes, sooner or later a fundamental change becomes \_\_\_\_\_\_.

As for Cyprus and the Middle East and the Soviet role, the Soviet Union will not be able to create anything. It can only make noise. We would prefer not to be in the forefront on these issues, and in Cyprus we tried to push Britain into the forefront and that produced its own complications. As to firing cannons, we recognize the necessity and we have our own tunnels and you will consider that you should not hit your own fortifications.

Teng:

They haven't.

Kissinger: I am not saying they have, so we rely on you for this.



Teng: ' . You can study our cannons.

Kissinger: We generally do not do any counterbatting fire. But more fundamentally, I think we have had a very useful, very beneficial exchange and in what I consider a friendly spirit of many subjects of common interest. We have always known that we stood for different principles and neither of us have asked the other or will ask the other to transcend the difference.

Teng: That's right.

Kissinger: But both of us have been able to work jointly on these matters which we have understood represent common views. And I believe that this has been fortified by our exchange and I would like to thank the Vice Premier for the warm reception we have had here, the frankness of the exchange; the constructiveness of the dialogue and Ibelieve it has been a very positive contribution to the relations between the United States and the People's Republic of China.

Teng: Do you think that will be all for our talks.

Kissinger: Except for...

Teng: And we should like to take this opportunity to thank the Dr. again for his seventh visit.

Kissinger: for our encounter after the banquet tonight.

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Teng: But that has nothing to do with me.

Kissinger: If I may ask a question about releasing whatever we agree on tonight. Cur President is giving a press conference tomorrow night at 8:00 Washington time, which is 9:00 Saturday your time. So if we could release it Saturday morning your time, not it would enable him to answer questions/only on his trip but on my trip too.

Teng: You can solve that.

Kissinger: You are very optimistic. It usually take three nights to settle things with the Foreign Minister.

Teng: (Laughter) Well, that means that the press releast will come out next February.

Kissinger: You tell me when you are ready.

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